

Wisconsin State Legislature

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Joint Committee on Finance *100th ANNIVERSARY 1911 - 2011*

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: October 18, 2011

Re: DHS Report to JFC

Attached is a report on utilization of nursing home beds by Medical Assistance (MA) recipients from the Department of Health Services, pursuant to 1997 Wisconsin Act 27.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV:jm



State of Wisconsin
Department of Health Services

Scott Walker, Governor
Dennis G. Smith, Secretary

RECEIVED
OCT 18 2011

BY: *St. Finance*

October 11, 2011

The Honorable Alberta Darling, Senate Co-Chair
Joint Committee on Finance
Room 409 South, State Capitol
Madison, WI 53702

The Honorable Robin Vos, Assembly Co-Chair
Joint Committee on Finance
Room 309 East, State Capitol
Madison, WI 53702

Dear Senator Darling and Representative Vos:

1997 Wisconsin Act 27 directs the Department of Health and Family Services to submit an annual report to the Joint Committee on Finance on the previous fiscal year's utilization of nursing home beds by Medical Assistance (MA) recipients and also requires a discussion and projection of current fiscal year MA expenditures and likely balances. Section 49.45 (6v)(c) of the statutes requires that if the report shows a decrease in bed utilization by MA recipients at a rate greater than assumed in the budget, then the Department must propose a transfer of funds associated with that decrease from the MA budget to the Community Options Program (COP). However, statutes prohibit the Department from proposing a transfer that would create a deficit in the current year or biennial appropriation.

The 2009-11 Budget Bill, 2009 Act 28, assumed the number of nursing home patient days would drop from 6,680,034 in FY 09 to 5,670,019 in FY 11. The number of days actually dropped from 6,680,034 to 5,990,981, which is 320,962 higher than budgeted. While higher than budgeted, FY 11 continued the historical drop in patient days, as shown in the table below.

Fiscal Year	Nursing Home Patient Days reported under 1997 WI Act 27
SFY 06	7,672,913
SFY 07	7,159,082
SFY 08	6,962,628
SFY 09	6,680,034
SFY 10	6,327,019
SFY 11	5,990,981

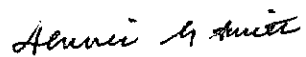
An analysis of patient days by level of care and the average daily cost for each care level indicates that actual expenses exceeded projections by approximately \$38,557,626 AF (\$12,053,114 GPR). Because of the higher than budgeted utilization of MA nursing home services, there is no surplus of nursing home funds to transfer to the Community Options Program appropriation.

Senator Darling and Representative Vos
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Since there is no surplus in the nursing home budget to transfer, it is not necessary to examine the overall state of the Medicaid budget in 2009-11 biennium.

Thank you for your attention to this report.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dennis G. Smith".

Dennis G. Smith
Secretary

cc: Members of the Joint Committee on Finance

Table 1: Budgeted and Actual Nursing Home Patient Days Excluding ICFs-MR and State Facilities, SFY 11

	Nursing Facility Days ****	Bed Hold and Therapeutic Leave	Traumatic Brain Injury	Total w/o State Facilities
1. SFY 11 Budgeted Patient Days*	5,631,530	28,388	10,102	5,670,019
2. SFY 11 Actual Patient Days**	5,966,540	15,323	9,118	5,990,981
3. SFY 11 Actual Minus Budgeted Patient Days	335,010	(13,065)	(984)	320,962
4. SFY 11 Actual Average Cost per Patient Day ***	119.49	59.41	640.02	120.13
5. Payments over / (under) budget	\$ 40,031,376	\$ (776,206)	\$ (629,778)	\$ 38,557,626

* From 2009 Act 28 Biennial Budget MA Base Re-estimate

** From MEDS

*** From MEDS

**** Excludes services to people with developmental disabilities